

# Addendum to FY 2009-2010 Annual Action Plan

The 2009-2010 Annual Action Plan was adopted by the Durham City Council on May 4, 2009 and the Durham County Board of Commissioners on May 11, 2009.

Subsequent to the adoption of the Plan, the U.S. Department of Housing and Urban Development (HUD) released the FY 2009-2010 formula grant allocations for entitlements. The FY 2009-2010 allocations announced by HUD in May differ slightly from the anticipated amounts identified in the Plan. As directed by HUD, the City used its FY 2008-2009 allocations for planning purposes. For FY 2009-2010 the City has been awarded the following program amounts: Community Development Block Grant (CDBG) – **\$1,938,130**; HOME Investment Partnerships Grant Program (HOME) - **\$1,370,600** and Emergency Shelter Grants (ESG) - **\$84,595**.

The City of Durham submitted its FY 2009-2010 Annual Action Plan to HUD by the statutory deadline of May 15, 2009. Upon review of the Plan, HUD requested that the City make the following modifications to the Plan.

American Dream Downpayment Initiative (ADDI): Subsequent to the submission of the Plan, HUD announced that the ADDI program had been eliminated; therefore, the City of Durham will not be receiving the projected amount of \$12,377 as stated in the Plan.

Other Federal Resources: As a part of the American Recovery and Reinvestment Act of 2009 (ARRA), the City of Durham has been awarded \$789,101 in funding under the Homeless Prevention and Rapid Re-Housing Program (HPRP) and \$516,025 in Community Development Block Grant Recovery (CDBG-R). HPRP is focused on housing for homeless and at-risk households. Funds will be used for Housing location/Case Management, flexible financial assistance, rental assistance, outreach and data management and administration. CDBG-R funds will be used to continue the City's Acquisition, Demolition and Clearance, and Homeowner Rehabilitation Programs.

The City has been awarded \$2.1 million under the Neighborhood Stabilization Program (NSP). The NSP funds were authorized by the Housing and Economic Recovery Act (HERA) of 2008 as an adjunct to the Community Development Block Grant (CDBG) Program. The City intends to use NSP funds for the following activities: acquisition, rehabilitation, secondary financing, demolition, financial mechanisms for redevelopment and program administration. Areas targeted for treatment include the central city neighborhoods of Northeast Central Durham, Southwest Central Durham/Southside and the W. Geer Street project area.

Recapture Provisions: The City of Durham applies recapture provisions consistent with 24 CFR Part 92.254 in its deeds of trust and promissory notes. The use of HOME funds requires that a period of affordability be determined as it relates to the resale of the property. During the affordability period, in the event that the property is sold or title is transferred by conveyance, will, operation of law or otherwise, voluntary or involuntarily,

when the first mortgaged is refinanced or no longer the principal residence of the homebuyer, the City of Durham shall recapture all or a portion of the subsidy to the homebuyer to include interest. However, the homeowner is permitted to refinance the second mortgage without repayment for the purpose of lowering the interest rate. The borrower is not permitted to consolidate debts or take cash out options.

Subrecipient Monitoring: The Department of Community Development (DCD) will continue to improve its monitoring of CDBG, HOME and ESG housing and community development activities to ensure both short-term and long-term contract regulatory compliance. All monitoring visits will be held on-site at the subrecipient's primary place of operations and/or where files are maintained. On-site monitoring will take place each year while the subrecipient is funded. Follow-up monitoring may occur if there are significant findings of noncompliance with program requirements to ensure that problems have been corrected or if other indicators of program noncompliance or administrative difficulties become apparent from reviews of program documents, telephone conversations, or other sources.

Minority Women and Business Enterprise: All construction contracts exceeding \$100,000 must be reviewed by the City's Equal Opportunity/Equity Assurance Department (EO/EA). This Department is responsible for the implementation of the City's Small and Disadvantage Business Enterprises Ordinance (SDBE) which includes oversight of the City's activities with Minority Business Enterprises (MBEs) and Women-owned Business Enterprises (WBEs). These responsibilities include developing SDBE goals for specific projects, ensuring project compliance, monitoring and reporting.

Subrecipients shall comply with all applicable provisions of Chapter 26 of the Durham City Code (the Minority and Women-owned Business Enterprises Ordinance). Subrecipients are required to provide minorities and women equal opportunity to participate in all aspects of the subrecipient's contracting programs, including but not limited to, employment, construction projects, and/or materials and services contracts consistent with the law. It shall also be the policy of the subrecipient to prohibit discrimination against any business on the basis of race, color, national origin, religion, sex, age, handicap or veteran's status. The Department of Community Development adheres to the SDBE goals while EO/EA provides oversight and compliance.